

**MINUTES OF THE SPECIAL MEETING GOVERNING BOARD
GUSTINE UNIFIED SCHOOL DISTRICT
THURSDAY, FEBRUARY 28, 2019
6:00 P.M.**

TIME AND PLACE

The special meeting of Gustine Unified School District Board of Education was held on Thursday, February 28, 2019. The meeting was held in the Board Room, 1500 Meredith Avenue, Gustine, California.

CALL TO ORDER

The meeting was called to order at 6:04 p.m. by Board President Kevin Cordeiro. The Board went into Closed Session and reconvened to Open Session at approximately 7:26 p.m.

BOARD MEMBERS PRESENT

Mr. Kevin Cordeiro, Board President, Mr. Kevin Bloom, Ms. Pat Rocha, Mrs. Loretta Rose and Mr. Gary Silva.

REPORT FROM CLOSED SESSION

Nothing to report

REVISION/ADOPTION/ORDERING OF AGENDA

Ms. Rocha made a motion to approve the agenda as presented, seconded by Mr. Bloom. Motion carried, 5-0.

BOARD STUDY SESSION

A. Parkway South Santa Nella Development – Mrs. Rose, Mr. Silva, Dr. Ballenger, Lizett, and David Soldani, lawyer for the district, met with the Parkway South Developers to talk about the mitigation agreement that they have with the school district. The committee felt that they needed more information on the history of the agreement. The developers are asking for a renegotiation of the development agreement. No one on the committee felt that they could speak for the entire Board and asked that they meet to be able to make a decision. Mr. Soldani explained that back in 2006 there were plans for a very large-scale development, thousands of homes to be built in Santa Nella. They met with seven or eight separate developers, entered into a mitigation agreement that would provide funding flowing to the school district at a pace that would allow them to fill the necessary school site to accommodate all the children that are coming from these developments. That's when the market fell and when those development plans disappeared some of those developers filed bankruptcy. Now, there are less developers so there will be fewer homes, which means less students. As a result, the district doesn't have the same need to increase the facility size that it would've had. The developers are talking about restructuring the deal in a way that makes more sense for the district to be able to receive funding at a pace that will help take care of the current needs and plan for the future increase in capacity that is going to flow from this development over the next few years. The proposal received from the developer group tied dollar amounts to the current list of projects that the district has. In addition to the increase capacity, the district will have other needs such as safety needs. It would be nice

to address it now rather than later. There is an extension need; the district needs more acreage at the high school. The district will need to acquire property and it would be nice to have funding for it at a quicker pace. Under the original agreement the developer would make the payments every time a building permit is paid, that school fee that is agreed upon is distributed back to the district. What the attorney contemplates is going back to the developer and asking for an upfront contribution in the amount that will help the district address some of the safety concerns and acquire the addition property to expand the high school. In addition to that, he suggest timing the developer contribution a little bit different. Instead of having them timed to each building permit as they are trickling in, he proposes that every time the developers sell lots to a builder and they get paid for them the district receive a proportion of that money. The proposal that Mr. Soldani has adds up to about \$22 million. He'd like to go back to them and recommend they give the district a certain amount up front to deal with some immediate needs. Then talk about milestone payments in addition to what the district thinks would be fair for them to ask. Something a little bit more than what is currently on the table to cover contingencies and other things. First is to build in an escalation cost so that as the payments are being made, there is a built in increase to keep pace with rising construction costs. Mr. Cordeiro believes there is a real number that someone can figure out to make if fair for both sides. Mr. Martin stated that the district shouldn't rely on the development occurring as a means to fix the current problem. It needs to include the current safety needs. There should be a contingency plan if that doesn't happen. According to the agreement, the district also agreed to do some things also like purchase property and build a school. Mr. Soldani stated the district needs to make sure that this deal moving forward doesn't saddle it with obsolete obligations but more importantly give it an ability to address it's needs and to be in a position to receive any students that are generated out of this development. At the request of Mr. Cordeiro and if the Board is in agreement, Mr. Soldani stated that a financial person will be retained to do the calculations in order to come up with a fair amount. Mr. Andrew Bloom asked about qualifying for facility hardship. According to Lizett, the building needs to be condemned. Mr. Borba asked who in the district is in charge of applying for everything that it's eligible for. The Board's recommendation is for Dr. Ballenger get construction cost estimates and financial analysis and report back to them at the next board meeting.

COMMUNICATION FROM THE PUBLIC

Mr. Borba commented that he doesn't want the Board to take his question about facility hardship personally. You would hope that the consultants that the district works with would be the ones to point it out everything the district is eligible for to take advantage of it. He is very frustrated with the district being told it had a very good chance of qualifying for hardship monies but now because the state is barely reviewing applications from 2014 the possibility is very slim. If the consultant would have given them this information during the joint session workshop meeting maybe the Board would've prioritized the projects differently. Dr. Ballenger will look into getting more information regarding facility hardship.

ACTION ITEMS

A. Measure P Bond Project Safety Priorization List – Dr. Ballenger stated that from the list provided the District will be taking care of the Modernizing Romero MP/Kitchen during the summer with deferred maintenance funds. Ms. Rocha made a motion to approve a Measure P Bond Project Safety Priorization List, seconded by Mrs. Rose. Motion carried, 5-0.

List is as follows:

1. GHS Sewer Project
2. Cameras at all sites including GHS Farm
3. Playgrounds at the two elementary schools.

ADVANCED PLANNING

- A. Kids Day March 5, 2019
- B. 2019 Legislative Action Day in Sacramento – March 12, 2019
- C. Regular Board Mtg. March 13, 2019 @ 7:00 p.m.
- D. MCSBA Spring Dinner March 25, 2019 @ 5:30 p.m.
- E. Special Board Mtg. Workshop March 27, 2019 @ 6:00 p.m.
- F. Shell Beach Conference April 3-5, 2019
- G. Future Agenda Items
 1. Board Measure P Sub Committee
 2. Information regarding construction cost estimates and financial analysis.

ADJOURNMENT

Ms. Rocha made a motion to adjourn the meeting, seconded by Mrs. Rose. Motion carried, 5-0. Meeting adjourned at 9:38 p.m.

APPROVED AND ADOPTED

Loretta Rose, Clerk